



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

February 26, 2008

Julius L. Chambers, Treasurer
John Edwards for President
410 Market Street, Suite 400
Chapel Hill, NC 27516

Response Due Date:
March 27, 2008

Identification Number: C00431205

Reference: Year End Report (10/1/07 – 12/31/07)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in enforcement action.** Additional information is needed for the following 6 items:

1. Some of the contributions itemized on Schedule A of your report appear to have incorrect values in the "Election Cycle-to-Date" field. This field should reflect the total amount that the committee received from the contributor in the current election cycle, from 11/3/04 through the date of receipt of the contribution. (11 CFR § 104.3(a)(3)) Some of the election cycle-to-date totals reported on your Schedule A do not appear to include all contributions from the contributor received in this election cycle. Failure to correctly total contributions received from a given source in the election cycle could lead to acceptance of excessive contributions by the committee. Please note that this problem frequently occurs when the contributor name is entered in the committee's electronic reporting database more than once using a different spelling and/or format. This prevents the database from properly aggregating contributions from the same individual or entity. Entering correct election cycle dates and ensuring that the name of each contributor is entered into the database only once would help avoid election cycle-to-date errors. When reporting contributions from political action committees, using the contributor's FEC identification number will help prevent duplicate entries.

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Please review your procedures for compliance with this requirement and amend your report(s) as necessary. Incorrect aggregate election cycle to date totals for contributors listed on your report include the following:

<u>Name</u>	<u>Date</u>	<u>Amount</u>	<u>Reported ECTD Total</u>	<u>ECTD Total Calculated by the FEC</u>
Smith, Daniel	11/26/2007	\$1,300.00	\$3,300.00	\$6,900.00
Wallis, Mark	12/30/2007	\$1,000.00	\$1,000.00	\$2,000.00
Weil, Raymond	12/26/2007	\$100.00	\$350.00	\$850.00
Young, Loretta	12/31/2007	\$25.00	\$230.08	\$1,170.08

If you need more information, please contact the undersigned analyst.

2. Schedule B-P, supporting Line 28(a), Column A, of the Detailed Summary Page information discloses refunds to Aaron Lewis in the amount of \$4,903.00, and Raelyn Johnson in the amount of \$5,690.05, for press travel reimbursements. However, these same amounts are also reported as offsets to operating expenditures on Schedule A-P, supporting Line 20(a). Please correct this discrepancy and file an amendment to your report(s). (11 CFR § 104.3(b))

3. Commission Regulations define the term "purpose" to mean a brief statement or description of why a disbursement was made. Examples are "dinner expense," "media," "salary," "polling," "travel," "party fees," "phone banks," "travel expenses," "travel expense reimbursement," and "catering costs." Examples of election day and voter registration activity include "exit polling," "door-to-door get out the vote," "get out the vote phone calls," and "driving voters to the polls." Unacceptable descriptions, which require additional clarification, include but are not limited to "advance," "consulting," "political consulting," "commission," "contract labor," "retainer," "election day expense," "expenses," "invoice," "support," "expense reimbursement," "miscellaneous," "professional services," "get-out-the-vote," "voter registration," generic purposes such as "consulting/events/advance," "dues/subscriptions/publications," and "rent/utilities/improvement" that don't appear to reference the disbursement, and "travel reimbursement" when it appears to be a credit card payment. (11 CFR § 104.3(b)(4)(A))

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register can be found at http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf. Please amend Schedule B-P of your report to correct the descriptions that do not meet the requirements of the Regulations.

4. On Schedule D-P of your report, you have itemized debts for which you have failed to include the purpose. Please amend your report to include the missing information. (11 CFR § 104.3(b)(4))

5. Your report contains a Schedule C-P-1 but does not include a copy of the loan agreement. Commission Regulations require that you submit a copy of the loan agreement with the Schedule C-P-1. As an electronic filer, you must send a hard copy of the loan agreement via mail or courier. Please amend your report to provide a copy of the loan agreement. (11 CFR §§ 104.3(d)(2) and 104.18(h))

6. For future reports, please be advised that offsets to operating expenditures should be disclosed on Line 20(a) or (c) as appropriate and itemized on Schedule A-P with a notation as to the type of receipt. Receipts to be disclosed on Line 20(a) include refunds, rebates and returns of deposits. Receipts to be disclosed on Line 20(c) include offsets to legal and accounting disbursements. In addition, proceeds from the sale of purchased committee assets (excluding any gains realized) should be reported on Line 20(a) or (c) as appropriate. (11 CFR § 104.3(a)(4)(v)) Line 28(a) should be used for reporting contribution refunds to individuals, not offsets to operating expenditures.

Please note you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration. **Requests for extensions of time in which to respond will not be considered.** Failure to comply with the provisions of the Act may result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any

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questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1154.

Sincerely,



Leah S. Palmer
Senior Campaign Finance Analyst
Reports Analysis Division

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